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June 25, 2007

Honorable James H. Welsh Commissioner of Conservation State of Louisiana Post Office Box 94275 Baton Rouge, Louisiana 70804-9275

RE: HEARING APPLICATION

GRAY RB SUE
Cotton Valley Field
Webster Parish, Louisiana
Our File No. 430071.0091

Dear Sir:

On behalf of QUESTAR EXPLORATION AND PRODUCTION COMPANY, application is hereby made for a public hearing to receive evidence concerning the issuance of an order pertaining to the following matters relating to the Gray Sand, Reservoir B, in the Cotton Valley Field, Webster Parish, Louisiana:

- 1. To permit the applicant to drill, designate and utilize an alternate unit well for GRAY RB SUE, at the location shown on the plat attached hereto, in exception to the well spacing provisions of Office of Conservation Order No. 10-EE-1, effective August 9, 1978;
- 2. To explicitly find that the proposed alternate unit well is in the interest of conservation and is necessary to drain a portion of the Gray Sand, Reservoir B, in the Cotton Valley Field, underlying GRAY RB SUE, which cannot be efficiently and economically drained by any existing well in such unit;
- 3. To permit the operator of GRAY RB SUE to produce the unit allowable for said unit from the unit well, the alternate unit well, or from any combination thereof, at the operator's discretion; and
- 4. To consider such other matters as may be appropriate and justified by the evidence presented at the hearing.

The Gray Sand, Reservoir B, in the Cotton Valley Field, Webster Parish, Louisiana, was fully defined in Office of Conservation Order No. 10-EE-1, effective August 9, 1978.

The Rules of Procedure of the Commissioner of Conservation pertaining to the Pre-Application Notice requirements, are not applicable to the hearing requested herein, which requires legal notice of only ten (10) days. Commissioner of Conservation June 25, 2007 Page 2

Pertinent data concerning the intended application will be made available for inspection at the offices of the undersigned. Any person wishing to inspect such data should call the undersigned at (318) 221-6858 during normal business hours or write the undersigned at the above address in order to arrange a date and time for such inspection. A copy of any such pertinent data can be obtained at the expense of the requesting party.

A list of the names and addresses of all Interested Owners, Represented Parties and Interested Parties (as defined in the Rules of Procedure) is attached hereto, and a copy of this notice, with the annexed plat, are being sent to each of such persons. A reasonable effort has been made to determine that the enclosed list includes all of the persons to whom this notice must be sent under the Rules of Procedure.

A check in the amount of \$755.00 made payable to the Commissioner of Conservation is enclosed herewith as the statutory fee for holding the requested hearing.

This application is being filed in duplicate, and a copy hereof is being sent to Mr. James C. Broussard, Shreveport District Manager of the Office of Conservation and to each Interested Owner. Represented Party and Interested Party whose name is shown on the attached list.

Very truly yours,

BLANCHARD, WALKER, O'QUIN & ROBERTS

WTAIII:kmw **Enclosures**

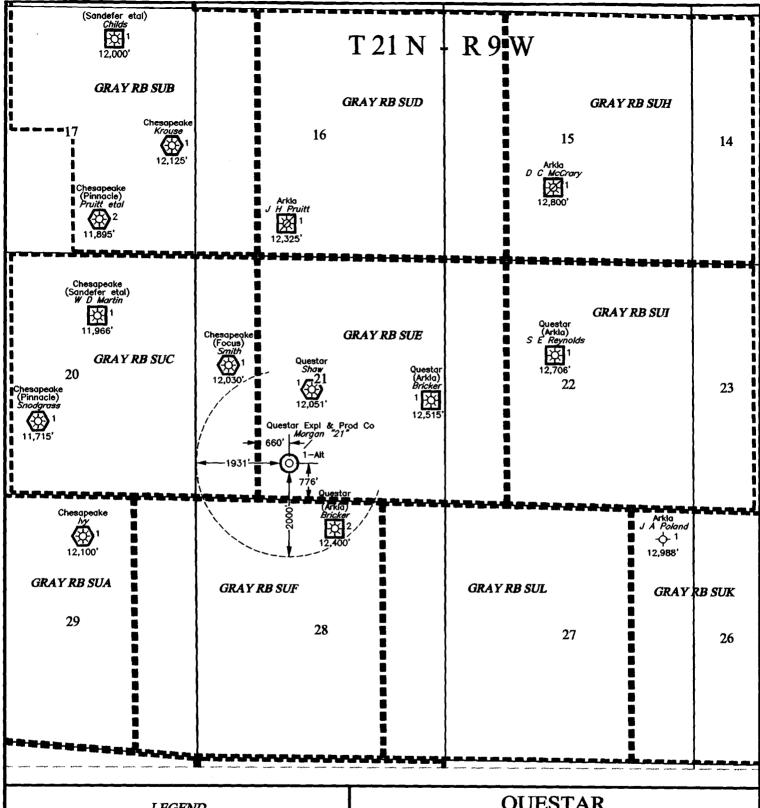
Wm. Timothy Allen III

Attorneys for Questar Exploration and Production Company

cc:

Mr. James C. Broussard, Shreveport District Manager, Office of Conservation (w/enclosures)

Interested Owners, Represented Parties and Interested Parties (w/copy of plat only)



LEGEND

: EXISTING GRAY RB UNITS

0 : EXISTING GRAY RB UNIT WELLS

③ : EXISTING ALTERNATE UNIT WELLS

: PROPOSED ALTERNATE UNIT WELL 0 AT EXCEPTIONAL LOCATION

QUESTAR EXPLORATION AND PRODUCTION COMPANY

COTTON VALLEY FIELD WEBSTER PARISH, LOUISIANA

PROPOSED ALTERNATE UNIT WELL

AT EXCEPTIONAL LOCATION FOR GRAY RB SUE

ONLY WELLS > 10,000' TD SHOWN

1 MILE